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SENATE BILL 696

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Richard M. Romero

AN ACT

RELATING TO CHARTER SCHOOLS; AUTHORIZING SHORT-TERM SEVERANCE
TAX BONDS TO ASSIST CHARTER SCHOOLS WITH LEASED FACILITIES;
PROVIDING FOR AN ANNUAL DISTRIBUTION; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. [NEW MATERIAL] SEVERANCE TAX BONDS

AUTHORIZED-- APPROPRIATION OF PROCEEDS TO CHARTER SCHOOL LEASED
FACILITIES FUND. --

A. The state board of finance may issue and sell
severance tax bonds with a term that does not extend beyond the
fiscal year in which they are issued in fiscal years 2003
through 2007 in compliance with the Severance Tax Bonding Act
in an amount not exceeding a total of fifteen million dollars
(\$15,000,000) when the state department of public education
certifies the need for the issuance of the bonds; provided that

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1 no more than three million dollars (\$3,000,000) may be issued
2 in any one fiscal year.

3 B. The state board of finance shall schedule the
4 issuance and sale of the bonds in the most expeditious and
5 economical manner possible upon a finding by the board that the
6 proceeds are needed by the state department of public education
7 for distributions pursuant to the provisions of the 1999
8 Charter Schools Act. The board shall further take the
9 appropriate steps necessary to comply with the Internal Revenue
10 Code of 1986, as amended.

11 C. The proceeds from the sale of the bonds are
12 appropriated to the charter school leased facilities fund.

13 D. Any unexpended or unencumbered balance remaining
14 at the end of fiscal year 2012 shall revert to the severance
15 tax bonding fund.

16 E. If the state department of public education has
17 not certified the need for the issuance of the bonds by the end
18 of fiscal year 2007, the authorization provided in this section
19 shall expire.

20 Section 2. Section 22-8B-1 NMSA 1978 (being Laws 1999,
21 Chapter 281, Section 1) is amended to read:

22 "22-8B-1. SHORT TITLE. -- ~~[Sections 1 through 15 of this~~
23 ~~act]~~ Chapter 22, Article 8B NMSA 1978 may be cited as the "1999
24 Charter Schools Act". "

25 Section 3. A new section of the 1999 Charter Schools Act
. 144547. 2

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1 is enacted to read:

2 "[NEW MATERIAL] CHARTER SCHOOLS LEASED FACILITIES FUND--
3 DISTRIBUTION. --

4 A. The "charter schools leased facilities fund" is
5 created in the state treasury. The fund shall be administered
6 by the department of education. The fund shall consist of the
7 proceeds of severance tax bonds appropriated to the fund and
8 other money appropriated and transferred to the fund. Earnings
9 to the fund shall be credited to the fund, and the fund shall
10 not revert until the end of fiscal year 2012 when any
11 unexpended or unencumbered balance shall revert to the
12 severance tax bonding fund. Expenditures from the fund shall
13 be by warrant of the secretary of finance and administration
14 upon vouchers signed by the state superintendent.

15 B. The department of education shall, by rule,
16 establish an application process for charter schools that
17 desire allocations from the fund. The process shall provide
18 that applications for allocations shall be due no later than
19 June 30 of each year and, except as provided in Subsection C of
20 this section, shall include:

21 (1) a copy of a lease or other agreement
22 showing that the charter school is leasing facilities;

23 (2) a certification from the school district
24 showing the number of students enrolled in the charter school
25 in the preceding school year; and

. 144547. 2

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1 (3) any other information reasonably required
2 by the department of education.

3 C. Pursuant to rule of the department of education,
4 a start-up school may submit an application for an allocation
5 from the fund. An application of a start-up school shall
6 include:

7 (1) a copy of the lease or other agreement or,
8 if no lease or agreement exists, evidence that the start-up
9 school will be leasing facilities and an estimate of the lease
10 costs;

11 (2) an estimate of the number of students that
12 will be attending the start-up school; and

13 (3) an agreement to repay excess amounts
14 received from the fund if the lease costs and number of
15 students submitted pursuant to Subsections A and B of this
16 section are overestimated.

17 D. Upon a determination that the information
18 submitted by a charter school is complete and accurate, the
19 department of education shall make an allocation to the charter
20 school. The amount of the annual allocation shall equal the
21 lesser of the amount of the annual lease payments or an amount
22 equal to nine hundred dollars (\$900) for each student who was
23 enrolled in the school during the preceding school year, or, in
24 the case of a start-up school, each student estimated to attend
25 in the subsequent school year; provided, however, that if the
total amount to be distributed pursuant to this section is
greater than the unexpended or unencumbered balance in the

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1 fund, the amount allocated shall be reduced proportionately
2 pursuant to rules adopted by the department of education.

3 E. Money received by a charter school pursuant to
4 this section may only be used for construction, purchase or
5 lease of charter school facilities."

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